

Message Text

UNCLASSIFIED

PAGE 01 JIDDA 01252 141134Z

ACTION COME-00

INFO OCT-01 NEA-10 ISO-00 AID-05 CIAE-00 EB-08 FRB-01
INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02
CIEP-02 LAB-04 SIL-01 OMB-01 /067 W
-----141300Z 032616 /44

R 141034Z FEB 77

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 1252

UNCLAS JIDDA 1252

E.O. 11652: N/A

TAGS: EFIN, EIND, SA

SUBJ: SAUDIS TIGHTEN CONTRACT EVALUATION

REF: JIDDA 1173

1. LOCAL PRESS REPORTS OF FEBRUARY 14 CARRY STORY WHICH APPEARS TO CONFIRM A GENERAL TIGHTENING OF SAUDI REVIEW OF BIDS ON GOVERNMENT TENDERS. A NUMBER OF TENDERS FOR SEWAGE AND WATER PROJECTS WERE REJECTED BY THE MINISTRY OF MUNICIPALITIES AND RURAL AFFAIRS ON FEBRUARY 13 BECAUSE OF OVER-BIDDING. THE COMPANIES "WILL ALSO BE DENIED PARTICIPATION IN BIDDING FOR FUTURE PROJECTS IF THEY SUBMIT UNREASONABLE AND UNJUSTIFIED PRICES." THE CANCELLED TENDERS WERE FOR SEWAGE AND VALLEY EMBANKMENTS AGAINST FLOODS IN TAIF, AL-KHOBAR, AND DAMMA.

2. THE ACTION BY MINISTRY OF MUNICIPALITIES AND RURAL AFFAIRS FOLLOWS CLOSE ON THE HEELS OF SIMILAR ACTION BY THE MINISTRY OF INDUSTRY AND ELECTRICITY ON FEBRUARY 7 (SEE REFTEL). THE PATTERN OF REJECTION APPEARS TO BE IDENTICAL TO THE EARLIER ONE AND HAS THE FOLLOWING CHARACTERISTICS: (A) A MINISTRY CONSULTANT ESTIMATE IS USED AS A BASE AGAINST WHICH TO JUDGE BIDS ON A PARTICULAR TENDER; (B) IF ALL BIDS SIGNIFICANTLY EXCEED
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 JIDDA 01252 141134Z

THE CONSULTANT ESTIMATE, ALL ARE REJECTED AND THE BIDDERS ARE EXCLUDED FROM THAT PARTICULAR PROJECT -- THAT IS, THEY WILL NOT BE INVITED TO SUBMIT REVISED BIDS; AND (C) MINISTRY OFFICIALS WILL SEEK A NEW SET OF BIDDERS FOR THE TENDERS.

3. DESPITE HEADLINES OF "COMPANIES BLACKLISTED", THERE

DOES NOT APPEAR TO BE ANY MOVE TO BAN REJECTED COMPANIES
FROM BIDDING ON FUTURE PROJECTS IN THE KINGDOM. THE
REJECTED BIDDERS ARE APPARENTLY ONLY BEING "BLACKLISTED"
FROM BIDDING ON THE SUBSEQUENT REISSUE OF THE TENDER IN
QUESTION. IT REMAINS TO BE SEEN HOW EFFECTIVE THE SAG'S
NEW BASE LINE WILL BE AS THE VALIDITY OF SAG ACCUSATIONS
WILL ONLY BE SUPPORTED IF SUBSEQUENT BIDS ON THE REOPENED
TENDERS MEET SAUDI TECHNICAL CRITERIA WHILE STAYING
WITHIN MINISTRY COST ESTIMATES.
PORTER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEVELOPMENT PROGRAMS, CONTRACTS, PROPOSALS (BID)
Control Number: n/a
Copy: SINGLE
Sent Date: 14-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977JIDDA01252
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770051-1053
Format: TEL
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770245/aaaabnqy.tel
Line Count: 72
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 81fb6dc7-c288-dd11-92da-001cc4696bcc
Office: ACTION COME
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 JIDDA 1173
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 27-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3330312
Secure: OPEN
Status: NATIVE
Subject: SAUDIS TIGHTEN CONTRACT EVALUATION
TAGS: EFIN, EIND, SA
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/81fb6dc7-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009